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1966 annual report



HALTON & PEEL TRUST & SAVINGS COMPANY

Head Office OAKVILLE, ONTARIO

Offices

Brampton Burlington Cooksville Milton
Georgetown Simcoe Delhi



HIGHLIGHTS

"Sound, Secure Growth"

	1966	1964	1962	1960
Savings and Term Deposits - - - -	\$60,425,740	\$37,402,161	\$20,467,964	\$10,310,864
First Mortgages - - - - -	52,314,583	31,600,273	15,659,204	8,476,710
Bonds and Stocks - - - - -	8,413,995	6,797,104	5,416,546	2,608,031
Estates, Trusts, Agencies - - - - -	6,456,436	3,036,014	1,161,054	903,137
Total Assets under administration - -	69,689,624	43,058,670	23,409,792	12,349,957
Capital Paid-in - - - - -	1,631,745	1,621,045	1,377,700	1,000,340
Reserve - - - - -	1,000,000	800,000	300,000	75,000
Profits before Income Taxes - - - -	476,039	335,296	201,975	78,357
Income Taxes - - - - -	168,500	112,000	53,500	36,000
Dividends to Shareholders - - - - -	163,037	113,471	75,611	25,497

HALTON & PEEL TRUST & SAVINGS COMPANY

BOARD OF DIRECTORS

O. E. Manning *President and Chief Executive Officer*
 Dr. C. A. Martin, W. J. Beatty *Vice-Presidents*
 D. S. McLauchlin *Secretary*
 J. R. Barber, E. Barringham, J. A. Carroll,
 A. G. Clarkson, P. Eng., P. A. Fisher, G. H. Fort, Q.C.,
 J. M. Fraser, E. D. Goulding, Angus McMillan, Q.C.,
 E. M. Milne, J. Pengilley, E. Slacer

OFFICERS

J. S. Beatty, C.A., *General Manager*
 G. W. Kennedy, R. B. James, *Assistant*
 N. E. Little *General Managers*
 A. D. Mahon *District Superintendent*
 D. S. McLauchlin *Manager, Estates Dept.*
 C. D. Cantlon, C.A. *Comptroller*
 C. C. Tight, R.I.A., R.C. Black *Mortgage Officers*
 J. F. O'Drowsky *Pension Officer*
 G. R. S. Foster *Appraisals Officer*

ADVISORY BOARDS

NORTH PEEL

J. A. Carroll
 F. M. Early W. H. McCaugherty J. R. Racine
 W. C. Lawrence

SOUTH PEEL

G. B. Jackson, Q.C. A. G. McDermott J. G. Hickey

NORFOLK

G. H. Fort, Q.C.
 R. E. Mann L. S. Culver D. H. Gilbertson
 H. Heath B. M. Wallace W. G. Smith

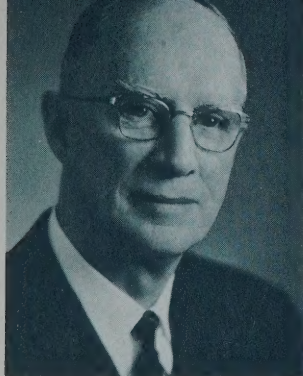
NORTH HALTON

John T. Armstrong
 Reford Gardhouse Maurice C. Beaty Michael Ledwith
 John Goy Dr. B. D. Young

OFFICES

HEAD OFFICE: OAKVILLE, ONT.

BRAMPTON, ONT	BURLINGTON, ONT.	SIMCOE, ONT.
G. Watson Kennedy	Robert B. James	A. D. Mahon
COOKSVILLE ONT.	MILTON, ONT.	DELHI, ONT.
Norman E. Little	Lorne Skuce	Gus Takacs
	GEORGETOWN	
	John A. Edgar	



Report from the President

O. E. MANNING

To The Shareholders:

New records have been established by your Company in 1966. Savings and Term Deposits now total \$60,425,740, up from \$48,283,405, First Mortgages \$52,314,583, up from \$41,561,704, Total Assets under administration \$69,689,624, up from \$56,613,802. These increases have taken place in a year which was far from normal. Interest rates continued to increase throughout the year and yet a shortage of money for mortgages was evident even though total deposits in the country were at an all time high.

The statement shows a strong financial position. More details regarding the statement will be explained by our General Manager, Mr. J. S. Beatty. I would, however, like you to know that our General Reserve is now \$1,000,000 and that we have built up a Special Investment Reserve amounting to over \$1,000,000, and that while we have been building these substantial reserves \$679,354 has been paid to shareholders in dividends since 1958.

Many people are confused by a term frequently used these days — the word is “near banks”. This term endeavours to group Finance Companies and Trust Companies together as if Finance Companies were operating under the same laws and regulations as Trust Companies. Nothing could be further from the truth. Finance Companies operate under the Corporations Act. Our Trust Company operates under the Loan and Trust Corporations Act of the Province of Ontario which is a specific Act governing Loan and Trust Companies only. In practice Trust Companies are not empowered to carry on the business of Finance Companies such as consumer lending and discounting of notes, while in turn Finance Companies are not empowered to take deposits or engage in the Trust business. It is important that all who are or may become connected with the Trust industry in any way — as shareholders or as customers of any trust services — keep in the forefront of their minds the distinction outlined above. A Trust Company is distinct from a Finance Company and the two should not be linked together as “near banks”.

Let me turn for a moment to the practical application of our own Company's incorporation. Before receiving our Charter we had to

- (1) Prove that there was a need for a Trust Company in the area.
- (2) Raise substantial capital.
- (3) Convince the Government that those who were backing the enterprise would have the confidence of the public.
- (4) Demonstrate experienced, capable management.

Our Charter was granted 12 years ago under the Loan and Trust Corporations Act and I am sure that you will agree that we have lived up to these requirements, doing much more than complying with the letter of the Act, and as a result we are conducting a very successful Trust Company business.

May I refer to a possible development in this coming year. There is an Act before Parliament at Ottawa to establish the Canada Deposit Insurance Corporation, the object being to provide deposit insurance up to \$20,000 for depositors in Canadian Banks and Trust Companies. The plans are to make this insurance compulsory for federally incorporated companies, and available to provincially incorporated Trust Companies if they wish to become insured. While we believe the best protection is an institution which is well managed by men of integrity and experience, it is our intention to apply for membership so that depositors in Halton & Peel Trust will have their deposits insured up to \$20,000.

In conclusion, I would like to comment on a most important aspect in the life of Halton & Peel Trust, namely our human relations. The co-operation between our Directors, Advisory Board Members, Management and Staff has been of a high order, and has been the primary force generating the results which you see here reported. In paying tribute to all of these men and women for their efforts I would point out that their wisdom, integrity and experience will continue to be forthcoming—the important foundation for the future operations of the Company.

O.E. Macceing .

Oakville, Ontario
February 10, 1967.

President.



Report from the General Manager

J. S. BEATTY, C.A.

To The Shareholders:

It is important that the life of a Trust Company demonstrate year in and year out that security and soundness are being built into its fabric, and that its clients may thereby become increasingly aware of the measure of its security and soundness.

1966 was a year in which these important Trust Company qualities were again reinforced in Halton & Peel Trust & Savings Company. The earning of the highest profit in the Company's history enabled the General Reserve to be raised to \$1,000,000 and the total of the internal Investment Reserves to be raised to over \$1,000,000. Thus there are now General and Specific Reserves totalling over \$2,000,000 — a substantial security factor in the interests of depositors and shareholders alike.

Examination of the Statement of Revenue reveals an increase in the figure for Profit before Reserves and Income Taxes to \$714,186 from \$574,723 last year. This is a 24% increase in 1966 and is in keeping with the increase in the Company's business overall (Savings and Guaranteed Investment Certificates are up 25% to \$60,425,740 from \$48,283,405 last year, First Mortgages up 25% to \$52,314,583 from \$41,561,704, Total Assets up 18% to \$69,689,624 from \$56,613,802).

From the above mentioned profit of \$714,186 there has been deducted a much larger provision for Mortgage Reserve than was the case last year (full advantage is taken of income tax allowance in calculating these reserves) and even so the figures for profit before Income Taxes (\$476,039) and Net Profit for the year (\$307,539) are the highest in the Company's history.

Emphasis is also placed on the quality of the First Mortgages. Collection experience has again been good and it is significant that the Company now

receives in principal and interest over \$500,000 each month. This, with a good portfolio of Bonds, Debentures and Stocks, enables an excellent liquidity position to be maintained — substantially more than required by law.

Each of our offices showed substantial growth in volume of business in 1966. During the year the Company opened its 8th office, in Georgetown. Results have been very good and we may look forward to this office making a growing contribution to the overall business in the coming year.

During the early part of the year the following appointments were announced:

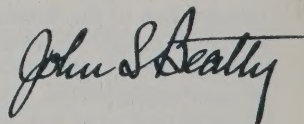
G. W. Kennedy, N. E. Little, R. B. James appointed Assistant General Managers.

A. D. Mahon appointed District Superintendent.

C. D. Cantlon, C.A. appointed Comptroller.

These men have years of experience in the trust field, in the banking field, in accountancy and in the investment field. Through these appointments, security, soundness and continuity are being built for the future. Halton & Peel Trust has an excellent staff built around the above men and around the Managers and Department Heads in the 8 offices. That we can present this excellent statement for 1966 is due in no small measure to the high quality of service of the entire staff, and in turn this high quality of service assures the Company's future.

Oakville, Ontario.
February 10, 1967.

A handwritten signature in dark ink, reading "John S. Beatty". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

General Manager.

HALTON & PEEL TRUST & SAVINGS COMPANY

STATEMENT OF REVENUE, EXPENDITURE AND UNDIVIDED PROFITS

THE YEAR ENDED DECEMBER 31, 1966

	1966	1965
Revenue		
From Mortgages - - - - -	\$3,415,090	\$2,648,275
Bonds, Debentures and Stocks - - -	447,016	380,190
Other Operating Revenue - - - -	187,976	132,992
Total Revenue - - - - -	\$4,050,082	\$3,161,457
Expenditure		
Interest on Savings Deposits and Guar- anteed Investment Certificates - - -	2,579,029	1,932,494
Salaries, Pension Fund Payments and Staff Benefits - - - - -	375,161	323,252
Depreciation - - - - -	35,297	40,161
Other Operating Expenditure - - - -	346,409	290,827
Total Operating Expenditure - - - -	3,335,896	2,586,734
Profit before Reserves and Income Taxes -	714,186	574,723
Provision for Mortgage Reserve - - - -	238,147	157,900
Profit before Income Taxes - - - - -	476,039	416,823
Provision for Estimated Income Taxes - -	168,500	123,000
Net Profit for the Year - - - - -	307,539	293,823
Dividends to Shareholders - - - - -	163,037	138,336
	144,502	155,487
Undivided Profits at beginning of Year - -	31,809	70,784
Premium on Shares - - - - -	6,120	5,538
	37,929	
Income Tax Adjustments, prior Years - -	8,818	
	29,111	76,322
	173,613	231,809
Transferred to General Reserve - - - -	50,000	150,000
Transferred to Mortgage Reserve - - - -	25,000	50,000
Transferred to Other Investment Reserves -	50,000	nil
	125,000	200,000
Undivided Profits at End of Year - - - -	48,613	31,809

STATEMENT OF GENERAL RESERVE THE YEAR ENDED DECEMBER 31, 1966

General Reserve at beginning of Year - - - - -	\$ 950,000
Transferred from Undivided Profits - - - - -	50,000
General Reserve at end of Year - - - - -	\$1,000,000

HALTON & PEEL TRUST

BALANCE SHEET

Assets

	1966	1965
Cash - - - - -	\$ 1,111,497	\$ 1,277,011
Bonds and Debentures:		
Canada - - - - -	3,061,698	2,570,776
Ontario and its Guarantees - - - - -	2,431,181	2,055,054
Municipalities - - - - -	1,145,796	814,588
Other Bonds and Debentures - - - - -	273,836	202,731
Stocks - - - - -	1,501,484	1,434,099
Loans — secured - - - - -	482,530	316,944
First Mortgages - - - - -	52,314,583	41,561,704
Office Premises at cost less depreciation - - - -	868,443	737,895
Other Assets - - - - -	42,140	17,109
 Total Capital and Guaranteed Assets - - - - -	 63,233,188	 50,987,911
 Estates, Trusts and Agencies:		
Securities, Cash and Other Assets held in trust -	6,456,436	5,625,891
	<u>\$69,689,624</u>	<u>\$56,613,802</u>

Notes:

1. Bonds and Debentures, none of which are in default, are stated at values which do not exceed the amortized cost.
2. Stocks are stated at an aggregate value not exceeding market value.
3. The liabilities of the Guaranteed Account are fully secured by authorized investments specifically ear-marked and set aside in respect thereof.
4. Under employees' stock option agreements, 680 shares have been issued during the year, and 7165 shares remain under option.

SAVINGS COMPANY

DECEMBER 31, 1966

	Liabilities and Capital	
Liabilities	1966	1965
Guaranteed Account:		
Savings Deposits - - - - -	\$20,652,068	\$16,989,259
Guaranteed Investment Certificates - - - - -	39,773,672	31,294,146
	<u>60,425,740</u>	<u>48,283,405</u>
Dividend Payable January 16, 1967 - - - - -	40,795	40,710
Estimated Income Taxes Payable - - - - -	86,295	53,642
	<u>60,552,830</u>	<u>48,377,757</u>
Capital		
Capital Stock:		
Authorized:		
400,000 Shares of \$5.00 par value		
each - - - - -	\$ 2,000,000	
Issued and fully paid:		
326,349 Shares (1965 — 325,669 Shares sub-		
scribed) - - - - -	1,631,745	1,628,345
General Reserve - - - - -	1,000,000	950,000
Undivided Profits - - - - -	48,613	31,809
	<u>63,233,188</u>	<u>50,987,911</u>
Total Capital and Guaranteed Liabilities - - - -		
Estates, Trusts and Agencies Under Administration	6,456,436	5,625,891
	<u>\$69,689,624</u>	<u>\$56,613,802</u>

Approved on behalf of the Board of Directors:

O. E. Manning
President and Chief Executive Officer

C. A. Martin
Vice-President

W. J. Beatty
Vice-President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the accompanying Balance Sheet of Halton & Peel Trust & Savings Company for the year ended December 31, 1966. Our examination comprised a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances, and included verification of the cash, bank balances and securities of the Company.

In our opinion, the accompanying Balance Sheet presents fairly the financial position of the Company as at December 31, 1966.

C. K. MacGillivray, F.C.A. } of Chagnon,
Patrick T. Hunt, C.A. } MacGillivray & Co.,
Chartered Accountants

HAMILTON, Ontario
January 17, 1967.

Savings — Chequing (4%)

Savings — Reserve (4½%)

Guaranteed Investment Certificates
are a legal investment for Trust Funds
and may be cashed at par on
the death of the investor

Halton & Peel Trust Investment Funds
Retirement Savings Plans

Safety Deposit Boxes at Oakville,
Brampton, Cooksville and Simcoe

Estate Planning
Executor and Trustee alone or jointly
Administrator where there is no Will
Trustee of Marriage or other Settlements
Committee of Property of Incapacitated Persons
Standing-by Attorney in case of Illness

Investment Management for individuals
and organizations wishing to be relieved
of the details and responsibilities
involved in looking after their investments

Trustee for Pension and Profit-Sharing Funds
Trustee for Personal Pension Funds
Trustee for Bond Issues
Trustee for Cemetery Funds
Trustee for Municipal Funds

First Mortgage Loans
Real Estate and Property Management
Appraisal Services

Inquiries Invited

SAVINGS

TERM DEPOSITS

INVESTMENTS

**ESTATES, TRUSTS,
AGENCIES**

**INVESTMENT
MANAGEMENT**

CORPORATE TRUSTS

**MORTGAGES and
REAL ESTATE**

OF VALUE TO THE COMMUNITY

In 1966 Halton & Peel Trust & Savings Company paid to residents of Halton, Peel and Norfolk Counties over \$3,500,000 in interest, dividends, salaries, taxes and for supplies, services, etc.

Since 1956 over \$13,000,000 has been distributed in a like manner in the same 3 Counties.

The Company has supplied mortgage funds to thousands of families in the community assisting them to own their own homes.

Well over 40,000 residents are using the services offered by the Halton & Peel Trust & Savings Company.

HALTON & PEEL TRUST IS A GOOD CORPORATE CITIZEN.



